

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

In Re:)
)
CLAUDETTE CROSS BROWNLEY) CASE NO. B-17-11063C-7G
)
Debtor.)
)

MOTION AUTHORIZING TRUSTEE TO ORDER SURRENDER OF CASH POLICY

TO: THE HONORABLE CATHARINE R. ARON, US BANKRUPTCY JUDGE

NOW COMES, Gerald S. Schafer, Trustee for the above named Debtor and respectfully represents to the Court as follows:

1. The above named Debtor filed a Voluntary Petition under Chapter 7 in the United States Bankruptcy Court for the Middle District of North Carolina on September 21, 2017 and I was appointed Trustee.

2. Among the Debtor's assets is Horace Mann life insurance policy #0510345470. The whole life policy has a face amount value of \$50,000.00 with a total cash value of \$29,952.41 less outstanding loans including interest of \$21,714.12 leaving a net cash value of this policy in the amount of \$8,238.28. Attached as *Exhibit "A"* is the policy report by Horace Mann.

3. The Trustee has received a letter from Horace Mann requesting an Order be entered showing Gerald S. Schafer was appointed Chapter 7 Trustee and has authority to order surrender of any policies that the Debtor may own, ordering surrender of Policy No. 0510345470 for its net cash value of \$8,238.28, and ordering Horace Mann to provide the Trustee information regarding any additional policies. Attached as *Exhibit "B"* is the letter from Horace Mann dated February 2, 2018.

WHEREFORE, the Trustee respectfully prays the Court as follows:

1. That the Court enter an order showing that Gerald S. Schafer was appointed Chapter 7 Trustee for Claudette Cross Brownley on September 21, 2017 and that the Trustee has authority to order surrender of cash policies that the Debtor may own.

2. That the Court further enter an Order for Horace Mann Life Insurance Company to surrender Policy #0510345470 for its net cash value and provide information regarding any other policy of the Debtor.

This the 13th day of February, 2018.

/s/ *Gerald S. Schafer*
Gerald S. Schafer, Trustee
N.C. State Bar No. 3873
220 Commerce Place
Greensboro, North Carolina 27401
Tel. (336) 273-9309

Exhibit A



Horace Mann

Educated Financial Solutions

Horace Mann Life Insurance Company

IMPORTANT POLICYHOLDER NOTICE:

YOU SHOULD CONSIDER REQUESTING MORE DETAILED INFORMATION ABOUT YOUR POLICY TO UNDERSTAND HOW IT MAY PERFORM IN THE FUTURE. YOU SHOULD NOT CONSIDER REPLACEMENT OF YOUR POLICY OR MAKE CHANGES IN YOUR COVERAGE WITHOUT REQUESTING A CURRENT ILLUSTRATION. YOU MAY REQUEST ANNUALLY, WITHOUT CHARGE. SUCH AN ILLUSTRATION BY CALLING 1-800-999-1030, WRITING TO HORACE MANN LIFE INSURANCE COMPANY OR CONTACTING YOUR AGENT. IF YOU DO NOT RECEIVE A CURRENT ILLUSTRATION OF YOUR POLICY WITHIN 30 DAYS FROM YOUR REQUEST, YOU SHOULD CONTACT YOUR STATE INSURANCE DEPARTMENT.

CLAUDETTE C BROWNLEY
PO BOX 146
ROCKINGHAM, NC 28380-0146

INSURED: CLAUDETTE G BROWNLEY

PAID TO DATE: 08-24-17
POLICY NUMBER: 0510345470
POLICY ANNIVERSARY: 07-24 EFFECTIVE 1986
REPORT DATE: 07-25-17
REPORT PERIOD: 07-26-16 THROUGH 07-24-17
AGENT: NORMA KIMO AT (910)-817-7173
KING INSURANCE
225 D SOUTH HANCOCK
ROCKINGHAM, NC 28379

POLICY REPORT

EXPERIENCE LIFE PLAN OF INSURANCE	BENEFIT AMOUNT		CURRENT PREMIUM ANNUALIZED +	
	LAST REPORT	THIS REPORT	LAST REPORT	THIS REPORT
WHOLE LIFE	\$ 50,000.00	\$ 50,000.00	\$ 880.30	\$ 880.30

POLICY ACCOUNT ***

VALUE \$ 0.01 \$ 0.01

ANNUAL POLICY FEE

LAST REPORT \$ 60.00
THIS REPORT \$ 60.00

ACCUMULATED PAID-UP ADDITIONS PURCHASED BY EXPERIENCE CREDITS

PAID-UP WHOLE LIFE \$ 364.89 \$ 364.89

SUMMARY **LAST REPORT** **THIS REPORT**

TOTAL CURRENT DEATH BENEFIT (MINUS ANY INDEBTEDNESS)	\$ 28,680.61	\$ 28,650.78
TOTAL MONEY APPLIED	2,521.48	2,278.62
TOTAL POLICY AND RIDER PREMIUMS AND FEES APPLIED	942.24	942.24
TOTAL OPTIONAL PREMIUMS	--	--
TOTAL WITHDRAWALS MADE (INCLUDES CHARGES)	--	--
TOTAL CASH VALUES (WITHDRAWAL CHARGES NOT APPLIED)	28,796.22	29,052.41
OUTSTANDING LOANS INCLUDING INTEREST	21,694.29	21,714.12
NET CASH VALUE (LESS WITHDRAWAL CHARGES)	7,111.92	8,238.28

** LUMP SUM PREMIUM PAYMENT(S) NOT INCLUDED
** THE VARIABLE LOAN INTEREST AS OF 07/24/2017 WAS 7.50%
*** CURRENT POLICY ACCOUNT RATE INCLUDING GUARANTEED INTEREST RATE AND EXPERIENCE CREDITS
AS OF 07/24/2017 WAS 5.60%



February 2, 2018

Gerald S Shafer
 Attorney at Law
 220 Commerce Place
 Greensboro, NC 27401

Subject: Horace Mann life insurance policy #0510345470
Insuring: Claudette C Brownley

Dear Gerald S Shafer:

I am writing in regards to the above referenced life insurance policy.

Our legal department has reviewed the documents that were submitted and we will need clarification on some areas of the letter. Please find these examples listed below:

- Among the Debtor's assets is the above policy [REFERRED TO AS POLICY NO. 0510345470] which Mrs. Brownley has which is a \$50,000.00 whole life policy which is with a net cash value of approximately \$8,238.28 which appears that Mrs. Brownley has a policy designated as Horace Mann Educated Financial Solutions Whole Life Insurance with a cash surrender value of approximately \$29,952.41.
 - Is it true that there are two policies that have an approximate surrender value as described?
- "I am attaching a copy of a statement I received from Mrs. Brownley's Attorney regarding these policies."
 - A copy of the statement was not provided. Please provide us with a copy
 - Mrs. Brownley's attorney was not copied on this letter. If it is part of a Bankruptcy Case, the attorney should be copied on everything
- As the Chapter 7 Trustee, I am authorized to cash this policy in for the cash surrender value and I am writing to you in regard to that matter... As the trustee, I am authorized to cash her policy in and request that your company comply with my request since as the Chapter 7 Trustee I have that authority and am authorized to cash her policy for the surrender value. If you need any additional information regarding Mrs. Brownley's policy that I requesting the policy be terminated, please feel free to contact me. If Mrs. Brownley has any additional policies in addition to the above, one I would also appreciate any information regarding those policies since I will wish to cancel and terminate any additional cash value policy that she has.

- There is inconsistency as to whether you are asking about one or both of the policies referenced
- Documentation supporting that you have authority to require surrender of the policies on behalf of the Bankruptcy Court has been provided. All that was provided was a "Notice of Chapter 7 Bankruptcy Case" data sheet listing him as trustee.

We cannot take any action without a court order showing Gerald Schafer's appointment as bankruptcy trustee, describing Gerald's authority as trustee, ordering surrender of the Horace Mann policy(ies) and ordering that we provide information regarding any additional policies.

If you need assistance, please contact our Customer Contact Center by calling toll-free, 800-999-1030 or via our website, www.horacemann.com. We are open from 7:00 a.m. to 7:00 p.m. Central Time, Monday through Friday.

Thank you for choosing Horace Mann. We appreciate your business.

Sincerely,

Life & Retirement Operations Team
Horace Mann Life Insurance Company

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)
CLAUDETTE CROSS BROWNLEY) **CASE NO. B-17-11063C-7G**
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Debtor.)
)
_____)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that I am an Attorney at Law licensed to practice in the State of North Carolina, and I am a person of such age and discretion to be competent to serve process.

That I served a copy of the **MOTION** by placing a copy thereof in a postpaid envelope addressed for delivery to:

William P. Miller, Esq. Bankruptcy Administrator U.S. Bankruptcy Court 101 S. Edgeworth St Greensboro, NC 27401	Brandi L. Richardson, Esq., PO Box 840 Reidsville, NC 27323 <i>Attorney for Debtor</i>
The Horace Mann Companies Life & Retirement Operations Team 1 Horace Mann Plaza Springfield, IL 62715-0001	

and by depositing same and its contents in an official depository under the exclusive care and custody of the United States Postal Service at Greensboro, North Carolina, on the 13th day of February, 2018.

/s/ Gerald S. Schafer
Gerald S. Schafer, Trustee
N.C. State Bar No. 3873
220 Commerce Place
Greensboro, NC 27401
Tel. (336) 273-9309
Fax (336) 273-2700